



# DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

**Center for Medicaid and State Operations  
Family and Children's Health Programs Group  
Division of Integrated Health Systems  
7500 Security Boulevard  
Baltimore, MD 21244-1850**

OCT 6 2000

Paul R. Perruzzi, Director  
Division of Medical Assistance  
Department of Health and Human Services  
1985 Umstead Drive  
2511 Mail Service Center  
Raleigh, NC 27699-2511

Dear Mr. Perruzzi:

Thank you for the submission of your Section 1115 demonstration proposal to provide family planning services.

Enclosed please find our comments and questions based on our review. We are available for consultation if needed or to set up a conference call to assist your staff. Additionally, we've included copies of the budget neutrality formats referenced in our questions as well as a copy of the "Revised Financial Management Review Guide for Family Planning Services" and an updated "Revised Family Planning Coding Matrix for the Financial Management Review Guide."

If you have any questions or need additional information, please contact Ms. Pamela Forton, North Carolina Family Planning Project Officer, at HCFA's Central Office, (410) 786-1410.

Sincerely,

Michael Fiore  
Director

Enclosures

cc: Michael McDaniel, HCFA Region IV, Atlanta

## **NORTH CAROLINA FAMILY PLANNING PROPOSAL CONSOLIDATED TEAM COMMENTS**

### **General:**

1. Overall, more detail is needed in the proposal. As 1115 waivers are to be innovative, it is important that you specify what is innovative in this project and is not already being tested in other 1115 family planning waivers. A detailed discussion is needed of what is being provided to women and men through this project that they don't already receive through the current infrastructure.
2. The proposal seems to state that the targeted population does not have access to family planning services because there is not adequate public funding for the services – if they were available free of charge, the population would use them. What evidence/data does the State have that transportation, lack of education on how to utilize the services, and other factors will not affect the use and effectiveness of family planning services even if they are available free through Medicaid? For example, does the State have data on the use of family planning services of non-pregnant women ages 18 to 44 that are Medicaid eligible through some other coverage group? Does the State have data on the failure rate of family planning methods for these women?

### **Eligibility and Duration:**

3. Please clarify the eligibility determination process. From the proposal, it appears that family size for the needs standard will include parents, spouse, and other children under 21, but the income of these individuals will not be counted. Parental income for individuals under 21 will not be counted. Will parents' needs be included regardless of age, or only for those under 21? Will the spouse's income be counted? On page 6, the State has indicated that the same income deductions will be applied as for the MPW category; however, on page 23 the State requests a waiver of sections 1902(a)(17) and 1902(a)(10) and the regulations at 42 CFR 435.100 and 435.602 in order to base income eligibility solely on gross income. This seems inconsistent.
4. Please clarify the duration of peoples' eligibility. The proposal says that redetermination of eligibility will be required every year and then it discusses the requirement for individuals to report changes in income. What does it mean that the target population will receive Medicaid coverage of family planning services for no less than the entire project period when eligibility will be redetermined every year? Please confirm that yearly determinations will be performed by the State in addition to the requirement for enrollees to self-report income changes.

### Services:

5. The proposal describes a number of services as "family planning services" that are not viewed as family planning services by Medicaid and are therefore, not eligible for the enhanced 90% family planning match. The attached document explains the services that are entitled to a 90% match. We will go over the services that you are requesting to include in the waiver and advise you as to which ones are eligible for the 90% match rate and which ones are eligible for the regular match rate. What follows are some guidelines based on the services that were discussed in the proposal:
- Pregnancy testing is a family planning service matched at the enhanced rate only:
    - 1) When the test is performed as part of a package of evaluative family planning services to determine whether or not contraceptives are contraindicated, and;
    - 2) When the patient may have used contraception improperly and pregnancy is suspected.
  - Pap smears are matched at the enhanced rate only when provided as part of a family planning encounter.
  - Screening, testing, and counseling related to HIV or STDs are covered at the enhanced match only when performed as part of a package of STD tests provided to women and men in conjunction with a family planning encounter. By encounter, we mean a visit to discuss and obtain family planning services. These encounters would typically include a medical exam, routine laboratory testing, including pregnancy and STD testing, counseling and the prescription of a family planning method (if desired). STD and HIV testing unrelated to such an encounter is not considered to be a family planning service and would not be eligible for the enhanced match.
  - Treatment of STDs, including pharmaceuticals, is not considered to be a family planning service and is never covered at the 90 percent match. Colposcopies, biopsies, and vaccines (including hepatitis B and rubella vaccines) are also not family planning services and are not matched at the enhanced rate.
  - Federal financial participation (FFP) is not available for sterilizations for men or women unless they are 21 years of age.
6. The State is including men over age 18 in this waiver, with emphasis on the availability of vasectomies. What specific outreach strategies are planned for this population? On page 4 of the waiver proposal, the State indicates that there is a pent up **demand** for sterilization services in health departments across the State for both men and women. Does the State have more information on the number on the waiting lists specifically for vasectomies? Does the State plan to exclusively target males for vasectomy services, or does it plan to conduct outreach to males for obtaining family planning services in general (counseling visits and the use of

condoms)? Will condoms be included in the supply visits? Since men who are not normally Medicaid eligible are included in the target population, this demonstration could evaluate not **only** the effectiveness of family planning education for men, but also the effectiveness **of** education about HIV/AIDS and other STDs. This is where the difference in focusing on vasectomies versus the use of condoms should be noted. The State should clarify exactly what it is they expect to learn from the coverage of men in this waiver,

7. Is transportation a benefit under this program?
8. It is indicated that minors may sign a consent form but will be counseled about the importance of discussing birth control needs with parent(s). Does this mean there is no state law that requires parental involvement?

**Evaluation:**

9. The evaluation design needs to be detailed and designed in order to determine the impact **of** this project. It is important that the evaluation isolates the impact of this demonstration from other family planning initiatives occurring in the State. Please discuss the design of the evaluation and who is going to conduct the evaluation. If a contractor is conducting the evaluation it is acceptable to receive the full design report after the project has been approved.
10. In the evaluation process, the proposal is to identify all Medicaid births, then identify the women who had received family planning services under the waiver and those who had not to compare birth outcomes and spacing. This proposal does not appear to take into consideration that within the group of births to women who did not receive waiver services is a subgroup of women who **did** have access to free family planning services. These are women who were continuously eligible for Medicaid as a caretaker or some other group other than pregnant women. Thus, the statement on page 17 that almost all of the women who identify Medicaid as their payment source for pregnancy services would have also been eligible for Family Planning Waiver program services may not be entirely accurate. The State may wish to compare this group separately.
11. Is **the** State committing to administering a “male version” of the BRFSS family planning module as suggested on page 19? Also, on page 20 in discussing the process evaluation tool, there is no commitment that the State will use this tool.

**Target Posulation & Outreach:**

12. Please clarify who is in the target population and how many people will be covered in this program.

13. In listing the initiatives that have access to the potentially eligible population, the State lists Intensive Home Visiting Projects. This project had been submitted as a state plan amendment, but was subsequently withdrawn. The State indicated that the Legislature no longer supported it. Please discuss this discrepancy.
14. The plans for developing an outreach, education and marketing plan are unclear. The State should provide more detail prior to the approval of the waiver. Also, it appears the targeting of the various populations will be phased in – initially families and women previously on Medicaid because of pregnancy; then men and women previously unaware of Medicaid programs, and finally low-income populations in general. The State should provide a timeline for the targeting of these populations over the life of the waiver. This affects the time remaining for evaluation.

**Budget Neutrality:**

15. The State should describe the nature of the relationship between the Medicaid agency and the NC Center for Health Statistics with regard to the use of Vital Statistics. Our budget neutrality provisions will require that you obtain birth rate data from your Office of Health Statistics. Some of this data will be due very shortly after the approval of the demonstration. We need to be assured that you will be able to access this information in a timely manner. Please provide these assurances (e.g., a data sharing schedule or process to allow for timely data-sharing).
16. Please complete the attached worksheets on budget neutrality.
17. The budget sheets for each year of the waiver show the total annual recipient months increasing, yet, the recipient months for family planning services never increase. Please explain this. Also, the page which lists the family planning services, amount paid, average recipient cost, etc., does not indicate the time period for this data. Also, it is not clear how a little over 34% of the recipients had a family planning visit, but over 55% got drugs. Are the drugs duplicated or can they get drugs without a visit? It is unclear how they projected the additional Medicaid eligibles or demonstrated cost neutrality.

**Other:**

18. The Child Support waiver requested under “Other Restrictions” is a concern. How will the State comply with the reporting requirements? Child Support reporting requirements within the Medicaid program apply to all 1115 programs.

October 4, 2000



BASE YEAR DATA

Model Budget Neutrality Worksheet for :								
All costs		1997	1998	1999	2000	2001	2002	2003
WITHOUT WAIVER								
BASIC FP SERVS -- All nurrent eligibles	Persons	1						
	Per Capita	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	Total	\$ 1						
DELIVERIES	Persons	1						
	Per Capita	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	Total	\$ 1						
FIRST YEAR COSTS	Persons	1						
	Per Capita	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	Total	\$ 1						
TOTAL BASE YEAR		\$ 3						
WITH WAIVER								
BASIC FP SERVS	Persons	1						
	Percapita	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	Total	\$ 1						
DELIVERIES	Persons	1						
	Per Capita	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	Total	\$ 1						
FIRST YEAR COSTS	Persons	1						
	Per Capita	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
	Total	\$ 2						
EXPANDED FP	Persons	1						
	Per Capita	\$ 1	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	Total	\$ 1						
SYSTEMS CHANGES								
PUBLIC A WARENESS								
EVALUATION								
TOTAL WITH WAIVER COSTS		\$ 5						
DIFFERENCE		\$ (2)	\$					





Model Budget Neutrality Worksheet for :									
		1999	2000	2001	2002	2003	TOTAL		
<b>FEDERAL COSTS</b>									
<b>WITHOUT WAIVER</b>									
<i>BASIC FP SERVS -- All current eligibles</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>DELIVERIES</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>FIRST YEAR COSTS</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>TOTAL WITHOUT-WAIVER COSTS</i>									
	\$	2	\$ 2	\$ 2	\$ 2	\$ 2	10		
<b>WITH WAIVER</b>									
<i>BASIC FP SERVS</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>DELIVERIES</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>FIRST YEAR COSTS</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>EXPANDED FP</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>SYSTEMS CHANGES</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>SYSTEMS CHANGES</i>									
	Persons	1	1	1	1	1	5		
	Per Capita \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
	Total \$	1	\$ 1	\$ 1	\$ 1	\$ 1	5		
<i>TOTAL WITH WAIVER COSTS</i>									
	\$	5	\$ 5	\$ 5	\$ 5	\$ 5	23		
<b>DIFFERENCE</b>									
	\$	(3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	(13)		
<b>REGULAR FMAP</b>									
	50.00%								
<b>FP FMAP =</b>									
	90.00%								
<b>PMPM COST TREND</b>									
	0.00%								